



Statement for the Record

Presented to the

**UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON WAYS AND MEANS
HEALTH SUBCOMMITTEE**

Hearing on Innovative Delivery and Physician Payment System Reform Efforts

May 12 2011

The American College of Cardiology (ACC) is pleased to submit a statement for the record for the Ways and Means Health Subcommittee hearing, “Innovative Delivery and Physician Payment System Reform Efforts.” The ACC commends the subcommittee for its work to address the problems with the current system of Medicare physician reimbursement.

The ACC is a professional medical society and teaching institution made up of 39,000 cardiovascular professionals from around the world – including 90 percent of practicing cardiologists in the United States and a growing number of registered nurses, clinical nurse specialists, nurse practitioners, physician assistants and clinical pharmacists.

The College is committed to working with Congress, the physician community, the Center for Medicare and Medicaid Services (CMS), and the Administration to strengthen the Medicare program and to ensure that Medicare patients can benefit from the life-saving and life-enhancing care that cardiovascular specialists provide.

The Flawed Medicare Physician Reimbursement Formula

The ACC appreciates Congress’ past efforts to ensure that cuts due to the SGR formula were not enacted. The ACC recognizes the challenges involved in stopping the 29.5 percent Medicare physician payment cut scheduled for January 1, 2012 and replacing the flawed sustainable growth rate (SGR) formula.

The College, along with many other physician organizations, urges Congress to act this year to avert scheduled reimbursement cuts; repeal the SGR; provide stable payments for a period of several years to allow testing of different payment models; and then allow for a transition to new payment models.

The current reimbursement formula is severely flawed. It does not accurately reflect the cost of providing care to Medicare beneficiaries. It does not account for changes and improvements in technology, shifts in the site of service, and the changing demographics of the Medicare population.

Since the formula was established, Congress has repeatedly stepped in and stopped pending cuts but did not address the underlying problems with the formula. Each time Congress has passed a short-term intervention it has only created practice instability, deepened the payment cuts in future years, and increased the cost of permanently resolving the problem.

Medicare physician payment rates that keep pace with the rising cost of practicing medicine are essential to physicians’ efforts to improve the quality of care provided to Medicare beneficiaries. Medicare beneficiaries deserve access to the highest quality care, and America’s doctors deserve a reliable and fair payment system.

Re-Aligning Incentives to Reward Quality Instead of Volume

The ACC has invested significant resources in its quality infrastructure, including the largest national cardiovascular data registry, clinical guidelines, appropriate use criteria,

and other quality initiatives. The ACC is committed to providing its members with tools to help ensure that the highest quality of care is provided to patients with cardiovascular disease, leading to better outcomes and more responsible use of limited health care resources. Based on the College's experience, deficiencies in quality and efficiency are not generally the result of uneducated or recalcitrant physicians, but rather the result of misaligned incentives and inadequate systems.

The ACC strongly supports moving the current Medicare physician payment system away from a volume-based system and toward a value-driven system that aligns financial incentives with performance of evidence-based medicine and with improving care delivery systems. A new payment system must more accurately reflect the cost of providing health care services to Medicare beneficiaries.

The College supports the testing of new payment models of delivering and reimbursing for care through the CMS Innovation Center, private payers, and other initiatives. The experience gained by testing models will be essential to reforming the system, incentivizing quality and better outcomes, and bending the cost curve.

The ACC believes there is no "one-size-fits-all" replacement for the payment system. Models are needed that work for a variety of settings, including small, independent practices and rural area. These models need to address the infrastructure challenges private practice and rural areas need to be successful. New payment models tested need to focus on high cost, high impact conditions as a priority.

Conclusion

In conclusion, the ACC is committed to working with you to design payment models that will ultimately achieve the intended results of improving the health of all Americans. The ACC believes it is important to engage the physician community in the critical task of reforming the flawed Medicare physician payment formula. ACC's CEO John C. (Jack) Lewin, M.D., and Senior VP for Advocacy James (Jim) Fasules, M.D., F.A.C.C., offer the ACC as a resource to you and your colleagues as you work to enact reform this year.